REMARKS

Claim Status

Claims 21-30 and 32-41 are pending in this application. Claims 1-13, 14-20, and 31 were previously cancelled without prejudice to the Applicant's right to file a divisional application directed thereto. Independent Claim 21 is amended herein to incorporate the limitations of Claim 30, deemed allowable but for its dependency on a rejected claim basis. Independent Claim 32 has also been amended herein to incorporate the limitations of Claim 33, likewise deemed allowable. Claims 30 and 33 are canceled herein and the claim dependencies of Claims 34-35 amended to be consistent therewith. Furthermore, amendment to Claim 38 has been made to reference "the first, heated auger outlet" and thereby correct the informality noted by Examiner in the June 23rd, 2008 Office Action. No new matter is added.

Claim Objections

Claim 38 is objected to on account of a typographical error incorrectly referencing the "first, heated <u>reactor</u>" rather than the "first, heated <u>auger</u>." Applicants respectfully submit that the objection to Claim 38 is obviated by the foregoing amendment and correction. Withdrawal of this objection is respectfully requested.

Rejection under 35 U.S.C. §102/35 U.S.C. §103

Claims 21-29, 32 and 37 are rejected under 35 U.S.C. §102(b) as allegedly being anticipated by, or alternatively, under 35 U.S.C. 103(a) as being obvious over Bolz (US 4,980,029). Applicants respectfully traverse these rejections in view of the foregoing claim amendments and for the following reasons.

Without commenting on the merits of this rejection and solely in the interest of expediting prosecution, Applicants have amended independent Claim 21 to include the limitations of allowable Claim 30 and independent Claim 32 to include the limitations of allowable Claim 33. As such, Applicants submit that the pending claims possess novelty and non-obviousness over Bolz (US 4,980,029). Withdrawal of these rejections is therefore respectfully requested.

Allowable Subject Matter

Applicants wish to thank the Examiner for his consideration of Claims 30, 33-36, and 38-41, which are deemed allowable but for their dependency on a rejected base claim. As is consistent with the Examiner's suggestion, base Claim 21 is amended herein to incorporate the limitations of Claim 30 and base Claim 32 to include the limitations of Claim 33. Withdrawal of this objection is respectfully requested.

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CONCLUSION

In view of the foregoing, it is believed that all claims now pending in this Application are in condition for allowance. Should the Examiner have any continuing objections, the Applicant respectfully asks the Examiner to contact the undersigned at 415-442-1490 (direct line) in order to expedite allowance of the case. Authorization is granted to charge any outstanding fees due at this time for the continued prosecution of this matter to Morgan, Lewis & Bockius LLP Deposit Account No. 50-0310 (matter no. 061136-0014-US).

Respectfully submitted,

Date: July 17, 2008

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for

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